



## Fact Sheet:



# Drug Medi-Cal Monitoring

## Background

The Interagency Agreement between the Department of Alcohol and Drug Programs (ADP) and the Department of Health Services requires all Drug Medi-Cal (DMC) programs to be subject to utilization review and control. Authority governing utilization controls is provided in the federal Medicaid Law, Title 42, United State Code, Sections 1396(a)(30-33) and federal Medicaid Regulations, Title 42, Code of Federal Regulations, Sections 456.2 through 456.6.

Utilization review provides certain safeguards against unnecessary services in substance abuse programs providing DMC services. ADP has promulgated regulations in Title 22 of the California Code of Regulations detailing the minimum requirements for DMC. The Title 22 regulations define the roles and responsibilities of ADP, the county, and the provider. Effective July 1, 1997, the Title 22 regulations required that ADP conduct post-service, post-payment utilization reviews for compliance with standards of care and other requirements of the regulations. This process is intended to provide statewide quality assurance and accountability for DMC services.

## State Role

ADP is responsible for administrative and fiscal oversight, monitoring, and auditing to safeguard California's investment in DMC alcohol and drug treatment services. This is accomplished through the promulgation of the Title 22 DMC regulations and on-site visits to DMC providers by ADP staff.

The purpose of these visits is to ensure that DMC compliance measures are in place for each provider participating in DMC programs, to provide technical assistance and training to provider staff, and to initiate the recovery of payments when DMC requirements have not been met.

A written report is issued at the conclusion of each on-site visit, detailing the deficiencies found. The county and/or provider are required to develop and implement a written plan of corrective action for every deficiency contained in the report.

## County Role

The county is responsible for contracting with the providers, if applicable; implementing and maintaining a system of fiscal disbursements and controls; monitoring the billings to ensure that reimbursement is within the rates established for services; and processing claims for reimbursement.

**Provider Role**

All DMC providers must be certified to participate in the DMC treatment service system and must comply with all DMC requirements. This includes at a minimum: identifying the Diagnostic and Statistical Manual of Mental Disorders diagnostic code; establishing the medical necessity for treatment; following DMC admission criteria and procedures; developing and updating treatment plans; preparing progress notes; providing counseling; justifying the need to continue services; and completing a discharge summary.

**Outcomes**

ADP monitoring and auditing of DMC services results in:

- quality control in the provision of publicly funded treatment
- assists counties and providers in identifying and resolving compliance issues; and
- provides an opportunity to render training and technical assistance to counties and providers.